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**Memorandum for:**

The attached Background Paper on Poland  
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4 March 1986

**EUR A**

**Office of European Analysis  
Directorate of Intelligence**

Background Paper on Poland

Poland seems little closer to consensual stability than it was when shipyard workers went on strike in August 1980 or when martial law was declared in December 1981. Demonstrations have become more infrequent and fewer people attend them, but the issues that gave rise to the birth of Solidarity have not been resolved and could, under the right combination of circumstances, provoke another crisis. [ ]

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The authorities have become more adept at maintaining order. The Polish legal structure has been strengthened to give the regime more options in handling dissent. The universities -- a traditional source of trouble -- have been brought under tighter control. The expansion of the Church's power has been slowed. Jaruzelski has strengthened his grip on the party by removing some of his critics. [ ]

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Jaruzelski has had some foreign policy successes with visits to India, Yugoslavia, the United Nations, and France. A visit to Italy may be in the offing, and Gorbachev seems to have accepted him. The unwillingness, meanwhile, of the Poles to move toward a genuine national reconciliation has kept US-Polish relations at a very low level. [ ]

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Economy

The modest recovery of the Polish economy from the depths of 1980-82 has slowed, and there are no indications that the Poles can expect significant outside help from either the Soviets or the West. The Poles may join the IMF this spring, but that clearly will not be enough to turn the economy around. Warsaw's Western creditors -- immersed in debt rescheduling negotiations with the Poles -- show no enthusiasm for extending significant new credits. Poland continues to receive more favorable economic treatment from the Soviets -- in the form of trade credits -- than any other East European country. These credits are slated to end next year. The Poles continue to request additional help but the current panacea being touted by Moscow -- increased emphasis on CEMA integration, especially in science and technology -- is not likely to bring near-term results for Poland. [ ]

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Domestically, the economic reform that once was touted as a solution to Poland's problems is dead in the water, partly because of conservative bureaucrats but also because reform would require austerity measures that would not be

EURM86-20023

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accepted by workers. Although there are spot shortages, especially of coal this winter, supplies of food and other goods seem generally to have improved over 1981-82; the most sensitive issues gripping workers are prices and wages. Many factory managers have managed to dampen complaints about price hikes by agreeing to wage increases that exceed national targets. The perpetual grumbling in the factories has thus far not resulted in any significant strikes, but we cannot be certain how long Polish workers will quietly accept a virtually stagnating standard of living. [redacted]

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### The Opposition

Although currently pessimistic about its prospects, the opposition remains a potent force. It represents a large cadre of people with political experience in organizing workers. It has an extensive underground press that circulates information throughout the country. It conducts a number of social and cultural events -- in conjunction with the Church -- that the regime cannot control. The older generation of the opposition -- the establishment so to speak -- seems disposed to wait for better times. But there is an ill-defined group of younger people who apparently are more willing to turn to violence to achieve their aims. This group, with occasional backing from the general population, would like Cardinal Glemp and the Church to be more aggressive in their dealings with the regime. [redacted]

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### The Church

The authorities continue to be cautious when dealing with the Church. A number of issues under discussion remain unresolved: the amount of paper the state will give the Church to publish its censored but independent newspapers, legislation giving the Church a legal status, the establishment of diplomatic relations with the Vatican, and Church control over outspoken, anti-regime priests. Another key issue is whether the regime will allow the Church to operate a fund to aid private agriculture. The authorities have been delaying approval for this fund for several years believing such a program would further entrench the Church in the Polish countryside. Over the past several weeks there have been optimistic assessments from the Church that the government is ready to go ahead. Such optimism has arisen before only to be dashed. The Church's future building plans -- which call for more than the one thousand buildings currently under construction -- are being discussed with the regime, which would clearly like to severely cut back on this aspect of the Church's activities. The regime rarely misses an opportunity to draw the population's attention to the Church's use of scarce building materials. [redacted]

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### The Party

In the population's eyes, the party remains a discredited organization from which the more liberal, openminded members fled (or were purged). Although Jaruzelski gave up the Premiership in November 1985 to concentrate on party work, it is unlikely that he can turn it into a more dynamic organization with new or workable ideas for achieving reconciliation with the Poles. Jaruzelski is now in the midst of preparations for the party congress in June from which he will probably emerge with a top leadership and a party apparatus that more closely reflects his own personnel choices. [REDACTED]

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### Polish-Soviet Relations

Gorbachev seems more pleased today with Jaruzelski's performance than he was last April when the leaders first met. [REDACTED]

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[REDACTED] His ascetic style fits in well with Gorbachev's attacks on alcoholism and corruption. Gorbachev's attitude seemed evident in the positive treatment Jaruzelski has received during the ongoing Soviet party congress. Jaruzelski, at the congress, was clearly seeking to curry favor with the Soviet leader. [REDACTED]

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### Polish-US Relations

The unwillingness of the Poles to move toward a genuine national reconciliation has hampered, from the US point of view, an improvement in relations. Despite several amnesties, the number of political prisoners (now estimated at about 250) is again inching upwards. The authorities continue to harass known opposition leaders, including Walesa, and are following a hostile policy toward intellectuals. The regime is dragging its feet on a number of Church/State issues and, in general, is not inclined to seek the active cooperation of those who are critical of official policies. [REDACTED]

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For their part, the Poles want a higher level of contacts with the US as a sign of legitimacy, but they insist that the US make the first public gesture as it would seem to vindicate Warsaw's claim to being the aggrieved party. The Poles continue to demand that the US stop interfering in their internal affairs through Radio Free Europe or via comments by US Administration officials and occasionally repeat their demand for monetary compensation (now set at \$15 billion) for damages caused by US sanctions. We are not convinced the Poles make this last demand seriously, but it is on the table. [REDACTED]

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